



PACIFIC RAILWAY

EXTRA TAX FOR IT NOT NECESSARY

BRITISH COLUMBIA

United We Stand — Divided We Fall



OTTAWA

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(CITIZEN, 28th December, 1875.)

THE PACIFIC PROVINCE.

Bribe to British Columbia.—That \$750,000!

LETTER No. 1.

To the Editor of THE CITIZEN.

DEAR SIR,—I would, on this subject, in its imminence to us all of Canada, beg permission to offer a word or two, and this, although you have so well put forward your points on it—and which, I perceive, have been copied, with due credit to you, by the *Montreal Gazette*.

Absence has prevented me from earlier noticing the thing.

In former letters in the *Gazette* and also in your column I have taken occasion to state and comment on the so-called "British Columbia difficulty," and more particularly as to solution or "settlement" of that difficulty by the arbitrament (Lord Carnarvon's) to which the parties more immediately interested in the issue had agreed.

Now, in this "new shuffle of the cards," as you so call it, we have—strange to say—what (to me at least) seems a total ignorance of that arbitrament—one which the same Ministry in the Government of Canada had pledged itself to abide by, and which, by formal Minute of Council, 18th December, 1874—one short year ago, a month after Lord Carnarvon's decision—they unreservedly acknowledged in the following terms, viz.:—"The Committee of Council request that Your Excellency will be pleased to convey to Lord Carnarvon their warm appreciation of the kindness which led his lordship to tender his good offices to effect a settlement of the matter in dispute; and also to assure his lordship that every effort will be made to secure the realization of what is expected." (See page 51 of Blue Book, "Terms of Union," of 1875.)

1876-1

What the terms laid down by Lord Carnarvon were, need not be here repeated at full length, but for the present argument it may be well to refer to them; briefly, they were:

1. "That the railway from Esquimaux to Nanaimo should be commenced as soon as possible, and completed with all practicable despatch."

2. "That the surveys on the *mainland* should be pushed on with the utmost vigor."

3. "That the waggon road and telegraph line should be immediately constructed * * * 'I am of opinion,' said Lord Carnarvon, in his minute of award, 'that they should be proceeded with at once, as, indeed, is suggested by your Minister.'—He is addressing the Earl of Dufferin as Governor-General.

4. "That \$2,000,000 (two millions of dollars) a year, and not \$1,500,000 shall be the minimum expenditure on railway works within the Province from the date at which the surveys are sufficiently completed to enable that amount to be expended on construction." And, here, Mr. Editor, I would point to the reason of this requirement as given by Lord Carnarvon in this solemn state paper, for this paramount "statute labor."—His words, on this head, are, "In naming this amount. I understand that,

"IT BEING ALIKE THE INTEREST AND WISH OF THE DOMINION GOVERNMENT

"to urge on, with all speed, the completion of the works now to be undertaken, the annual expenditure will be as much in excess of the minimum of \$2,000,000 as in any year it may be found practicable."

5. "Lastly, that on or before the 31st December, 1890, the railway shall be completed and open for traffic from the Pacific seaboard." [Not from Vancouver's Island, be it remarked] "to a point at the western end of Lake Superior," &c.—and he proceeds to observe, by way of *dictum, obiter*—"The day is, however, I hope, not very distant when a continuous line of railway through Canadian territory will be practicable, and I therefore look upon this portion (*i.e.*, north of Lakes Superior and Huron) of the scheme as *postponed* rather than abandoned."

In connection with this, and as indicative of the guiding principle, which, as a *primum mobile*, moved the essentially British Colony of British Columbia in taking the determined stand it did on the vital federal pact with the Dominion of Canada, and which Lord Carnarvon accepted, I would here cite the *propositum* of Attorney-General Walkem, as laid in his letter to the Earl of Carnarvon, of date October 31st, 1874, given us in page 43 of the Blue Book, "Terms of Union," already referred to. His words are these:

"This railway agreement, while purposely and in part framed, as I shall hereafter show, to promote the interests of British Columbia, is not an agreement for the construction of a railway within merely provincial limits, for simply provincial purposes. It is an agreement of a much more comprehensive character, designed, in fact, mainly to advance, and indeed to effect,

"A real Union and consolidation of the British Possessions on the Continent of North America."

"In the attainment of this great end, "British Columbia is, owing to her present isolation, especially interested."

In this joint and several interest—I hold—this solidarity in its largest, deepest and most eminent sense—is that essential *indivisibility*, (an element) in the vital contract—the great federal compact in question. And even beyond that; in *Empire* interest, does that principle of solidarity—"United we stand; divided we fall"—hold with all the inherent force of national *être*. So obvious is this, that even the present Government, in its Minute of Council of 17th September, 1874, consenting (though evidently unwillingly) to arbitration, and in diplomatic deference to the expressed sentiments and views of Her Majesty's Secretary of State for the Colonies, in approaching the matter of arbitrament, was pleased to say—"The lot of British Columbia is cast in with the other North American Provinces."—Query, Why omit the word "British" in the designation of *British North America*? "And it becomes the duty"—continues the Minute to say—"of all the Confederated Provinces to consider to some extent the general welfare."

So far, well! Now for the application of this incontestable principle in Canadian polity! Let us see how, in this

last "shuffle," it is (if at all) being carried out. But I must defer further remarks to another letter.

Yours, &c.,
BRITANNICUS.

OTTAWA, 27th December, 1875.

LETTER No. 2.

CITIZEN, 30th December, 1876.

Bribe to British Columbia.—That "\$750,000."

To the Editor of THE CITIZEN.

SIR,—In the Minute of Council of 20th September now made known to us, and that via British it has just been "sprung," for its own dark look for its "reason"—reason of its mystery is, as you well remark, rather of special pleading difficult to understand, from habit of work, more accus- of special pleadings, in the courts, agree with you. The "reasoning" is, to borrow a term from the ; and further, lacking ground, (note) make ground, make facts, as they did not hesitate to do "unaccountable" physical difficulties. I had occasion to contradict reference to Mr. Fleming's published in Blue Book. So

INCREASE OF TAXATION

with the work of a Pacific minute on this point are these: fully understood that any agree- re, and as to completion by a to the condition thrice recorded ment, that no further increase of

"the rate of taxation shall be required in order to their fulfilment."

Let us see if this be true.

The only legislation, the only entries in the "journals of Parliament," on this point, will be found formulated in the original Statute, chapter 71, of 35 Vic. (1872)—the Macdonald Act, under the head "An Act respecting the Canadian Pacific Railway," and in the Mackenzie Act (chap. 14, of 37 Vic.) on the same subject. The "third" entry in "journals" probably refers to the original resolutions on which the Macdonald scheme was based.

On this point, as to increase of taxation, the words of the first Act, in preamble, are as follows:—"And that the public aid to be given to secure that undertaking should consist of such liberal grants of land, and such subsidy in money, or other aid, *not increasing the present rate of taxation*, as the Parliament of Canada should thereafter determine."

The italicization is my own, and merely for indication.

In the Mackenzie Act the terms on this point are:—"And that the public aid to be given to secure its accomplishment should consist of such liberal grants of land, and such subsidy in money, or other aid, *not increasing the then existing rate of taxation*, as the Parliament of Canada should thereafter determine."

"That is"—as I read it—"that Parliament shall grant enough of lands, as well as money, to obviate increase of taxation." Nothing more, nothing less.

In interpretation of this, moreover, the *context* of these Acts is to be taken. That context, in key-note preamble, sets forth—"That the Government of the Dominion *shall*"—I am citing, *verbatim*, from the Mackenzie Act—"shall"—mark the term *imperative*!—"construct a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected for the purpose east of the Rocky Mountains towards the Pacific, to connect the seaboard of British Columbia with the railway system of Canada." The grounds of such imperative necessity (already abundantly stated and well known) are given in the Act. On the other hand, there is not a word, from first to last, in that statute. nor in any statute, nor in any journal entry of Parliament, so far as I

can learn, to the effect, that in case of insufficiency of aid granted, or of necessity of increase of taxation for the work, that it should be dropped, if begun, or that, if not begun, it should not be so, at the earliest possible moment. The expression as to "non-increase of taxation," was, obviously, merely in predicate, on the assumption that the aid vouchsafed would be ample to provide against such extra taxation, and, certainly, not as a condition precedent or resolatory. So that we have, in this respect, this singular incident, viz., a State paper—the "Minute" in question—gravely stating as law, statute law from the very Ministers of State themselves who drew or dictated such Minute, what really is *not law*, and urging *that* as a State reason for change of polity in this great matter.

But to proceed with my argument.

Supposing, however, for the sake of argument, that the law be such as is contended in the Minute, the question arises:

Is an increase of taxation, for the railway, necessary?

I think not. As Sir John A. Macdonald truly said the other day, in his great speech at the White banquet in Montreal, and as Dr. Tupper has also, in his place in the House of Commons, well said, the lands along the line of railway, so soon as made, would, most probably, have sold at an average of \$5 per acre, according to ruling prices (from \$4 to \$10 per acre) of American lands (inferior to ours) along newly laid railways in the Prairie States, across our border; and out of the alternate blocks reserved by the Government there would have been ample to pay interest and sinking fund on the Dominion bonds for the successive payments, say, in progressive accretion, \$3,000,000 (three million dollars) per annum, out of the \$30,000,000 of money aid. Five per cent. per annum, for interest and sinking fund on \$3,000,000 is only \$150,000, and after the first year of work in construction would, with the payments rateably on work done, be assuredly recouped by land sales.

But it may be asked—Have not the present occupants of our Treasury Benches money enough in hand already for commencement, and even for a year or two hence or more, for the work in question?

WHAT OF THE \$30,000,000 (THIRTY MILLIONS) JUST BORROWED BY OUR FINANCE MINISTER, OSTENSIBLY CHIEFLY FOR THIS WORK

On the 14th of May, 1874, nearly two years ago, the Mackenzie Pacific Railway Act, giving full power for immediate and urgent action, was passed. Then, the whole route from Nipissing to Vancouver's Island, had been, almost exhaustively, explored and surveyed by an immense and most efficient staff; and Mr. Fleming, with more than a million dollars worth of plans of survey in hand, had, four months before, formally reported not only a *feasible route* from Atlantic to Pacific seaboard, but one pre-eminently superior to all others being or possible in United States latitudes.

YET, TO THIS DAY, WE HAVE NOT A FOOT OF PACIFIC RAILWAY MADE; AND EVEN SURVEY IS STOPPED.

As to other public works, canal, what of them? Let Montreal answer, *Baie Verte* answer, Manitoba answer; and our whole Dominion from Victoria to Halifax answer—not a spade turned; not a cent to the exceptant starving laborers, honestly and nobly, in their own way seeking work in their own country, and for it!

As to the Esquimaux (pronounced Squymolt) and Nainamo Railway, it was the exceptional votes of Senator Penny and two or three others of that side that gave a casting preponderance to the Conservative minority, and which minority, it was well known, was influenced by the rumour, strongly believed, that an American "ring" was organized to grasp this thing. The policy of the present Government as to it was different from that of the preceding one, who, I understood, ever regarded and treated it as, integrally, of the main line of the Canadian Pacific Railway, and they actually, by their engineer staff, broke ground for the railway on it, on or before the 20th day of July, 1873, within the "two years," according to the Terms of Union.

On the other hand, the Mackenzie Ministry, by Minute of Council, 23rd July, 1874, [see page 31, of Blue Book, "Term of Union," &c., already cited], and as is also admitted in the Minute of Council of 20th September last, now before us, limited the western section of the Canadian Pacific Railway to the "seaboard" on the mainland, and thereby ex-

cluded the island work in question from the main scheme. It was in such mutilated or excised shape that it was brought before the House by this pro-American Ministry, and even in that form, and although deprecating such change, Dr. Tupper and others of the Ministry—the fathers of the original scheme—voted for it; voted, not, perhaps, in approval of the work as one merely local, but to obviate any charge or suspicion of tergiversation on their part against British Columbia or any part of it.

Yours,

BRITANNICUS.

DEC. 28th, 1875.

LETTER No. 3.

CITIZEN, 3rd January, 1876.

Bribe to British Columbia.—That “\$750,000.”

To the Editor of THE CITIZEN :

DEAR SIR,—The next point I would raise is, as to the pretence that this contingency of non-execution in case of necessity, of increase of taxation for the work, was distinctly advanced in the proposition, or terms for arbitration as agreed on. On this head, the words of the Minute, [of September last] now before us, are as follows :—“The other important feature of the arrangement.”—N. B.—The only “other,” previously discussed, was the Esquimault and Nanaimo Railway—“namely”—says the Minute—“the limitation of time for the completeness of a certain portion, and the specification of a certain yearly expenditure, were deemed to be within the meaning of the Pacific Railway Act, 1874,” (viz, the Mackenzie Act aforesaid,) “subject of course, to the condition already mentioned, and which was referred to in the Minute of Council, of December 18th, 1874, when the Government ‘expressed a willingness to make these further concessions.’” &c.

The “condition” in question, as the said Minute of September shows, was, as I have stated, non-execution of work in case of necessity of increase of taxation, *ad hoc*.

Referring to, and carefully reading the Minute of 18th December, alluded to—it is very short, covering only half a

page of ordinary Blue Book—and also the Minute of 17th September, 1874, in which the *proposita* and arguments *pro* of Council, on the proposed arbitration, are set forth in full, and with more than special pleading, and referring also to all Minutes of Council and every conceivable document or paper, as published, in this matter, I fail to find any mention, or allusion in any way, to such a “condition,” directly or indirectly, and the *inuendo*, or premiss, on this head, in this State paper—State paper to destroy the scheme of this inter-oceanic railway in Canada—is

UTTERLY UNTRUE.

Further—I say, if such a pretension had been made to Lord Carnarvon, it would have been such a self-stultification on the part of the Dominion Government as would at once have caught his intelligence, and would have at once been set aside—set aside as totally, and, in its nature, necessarily, unfounded. In all matters, a rule *imperative*—as is the Statute in question, in its terms, peremptorily ordering this railway construction—must not only subordinate, but even, if need be, override any *merely directory*, or internal rule, proper to it, such as that immediately in question. In this instance, however, there was, as I shall show, no necessity to trench on such internal rule; and if there be such necessity now, I say that it has been caused by the wrongful act or acts, neglect or neglects of those very men, who now set up this cry to cover their shame, and at the same time cloak their policy of total repudiation of contract and sworn duty as to this matter of Pacific Railway.

THERE “WAS AND IS NO NECESSITY” FOR EXTRA TAXATION FOR THIS WORK.

I advance this on the following facts:—

1. When the subsidy (fifty millions of acres of lands fit for settlement and \$30,000,000 in money) was first voted, as it was in the Macdonald Act, *ad hoc*, of 1872, the Dominion finances had been managed—so well managed—as to produce, if I remember right, an average surplus of over a million and a half dollars per annum, and the legitimate employment of

which was in just such works of chief public moment as the national railway in question.

2. That, two years afterwards, when, in the meantime, over a million and a half had been well and wisely and faithfully spent in survey, and that, with the good result already stated by me, the present Ministry, by the Mackenzie Act, *ad hoc*, in effect, materially increased that subsidy, viz., in the matter of lands, by giving *selection* (throughout our whole Dominion wild lands) while allowing the original *quantum* per mile, and, in the matter of money, by, in effect, adding to the original thirty millions of dollars (\$10,000 per mile; including branches and sidings) that mysterious "four per cent. for twenty-five years," to be paid to contractors on "a" (*id est, any*) "sum (to be stated in the contract) for each "mile of the section or subsection, &c." I give, on this particular feature, the *ipsissima verba* of the statute. The passage speaks for itself—that is, that the Dominion is to borrow from the poor contractors!!

3. At the same time, in the same session, the same Ministry, by its 17½ per cent. of customs' tariff, increased taxation at the rate of 16 2-3rds per cent.

4. At the same time, in the category of public works to be done, this then already advanced project of Pacific Railway, was pre-eminently the first in hand, one—as admitted on all sides, and as solemnly declared by Acts of Parliament—of vital interest to the whole Confederation.

At the same time, it is true, a very large inflation of Canadian canal schemes was just then started, but that, even already, has collapsed into limits which may be called normal, and which, in any case, should, at least, be co-ordinated with the railway scheme.

There are other facts which weigh, but I must hurry to close this.

Before leaving this point, however, I would glance at the two relative schemes of subsidy.

The *Macdonald* one was—as we all know—fifty millions of acres *along* or contiguous to line of railway or to its lands on grant, and thirty millions in cash, payable rateably as the work should progress, and with a bond power to the company of \$40,000 per mile.

The *Mackenzie* subsidy, as explained, is, in effect, *double* the above both in lands and money.

In the former, as I have understood it, it was calculated that with the land grant, at an upset price of \$2.50 for the inter-blocks reserved by Government, and with no restriction as to price for lands not falling within the railway grant, there would have been no difficulty in making the cash payments—comparatively small at first—or in case of default in this respect, these early cash payments, say as I have said before, \$150,000 for interest and sinking fund, in the first of the ten years for construction, and so on. That the Ministry of that day were safe in such predication, the recorded results of land sales in Manitoba, since then, abundantly show. The Hudson's Bay Company alone, out of their allotment (not a large one) only about 500 acres on Red River, have, according to press reports of public land sales, sold to the amount of about a million and a half. Add to that Crown Land sales, including the City of Winnipeg with its 5,000 or nearly that of active, and not unrich population, and also, at a valuation, the large extent of free grants—a duplication of the preceding estimate—and we have in all this abundant evidence that with the advance of the work through there, say from Pembina to Winnipeg, and thence direct to the Pacific, there would have been ample land sales to pay, to both the railway company and the Government, all financial exigencies in the scheme, and that, without the slightest strain on the general revenue—*without one farthing of extra taxation on the people*, and without the slightest prejudice to the public credit, but the contrary. I say this from personal knowledge of the country, and from the personal knowledge of the eagerness, even in central and essentially agricultural England, for early settlement in our North-West, and even in the far Peace River District, as you, Mr. Editor, have had occasion recently to know in the applications to your office for information from me, or for the further means of getting such as to the glowing fields and pastures fine in that further, golden Canada—the “Wild North Land,”—whence, the other day, Professor Selwyn (geologist) and Professor Macoun (botanist) brought samples of cereals, wheat and barley, probably unsurpassed in excellence and value, viz.: “Wheat, 68 lbs. the

bushel, and from 60 to 85 bushels to the acre ; "barley, 58" (not 48, so the press report give it) "the bushel." The first wheat, sown on the slopes of the Rocky Mountains in those high latitudes, was by a relative of my own, fifty years ago. I have his letter reporting the fact at that time.

The extent of that further "fertile belt," is over three hundred millions of acres. Had the Macdonald scheme gone on, that region would have been tapped by this time, for railway from Pembina to the Northern Saskatchewan (route, all prairie) could have been made at the rate of three miles or so a day, as was done in the American Pacific railway, over like ground. By such highway—a stretch of about four hundred miles—a *mine of wealth*, all sufficient for western as well as eastern construction, would at once have been opened, and the *great work would, as it were, have made itself*. In this initiatory leverage lay, what, to me at least, seemed the absolute and certain *power*, without extra taxation, of carrying out the scheme, as implemented in the charter contract, so ruthlessly torn. Conclusion in next, short.

Yours,
BRITANNICUS.

December 29th, 1875.

LETTER No. 4.

CITIZEN, 4th January, 1876.

Bribe to British Columbia--That \$750,000!

To the Editor of THE CITIZEN.

DEAR SIR,—A word, before I close, as to British Columbia—our scarcely "lesser half" in political importance.

HER CASE.

Carnarvon award:

Mainland Railway expenditure, \$2,000,000 per annum to 1890, say.....	\$30,000,000
Waggon road and telegraph, say	3,000,000
Esquimaux and Nanaimo Railway, 160 miles—average cost per mile as in Intercolonial Rwy., say.....	6,000,000
	<hr/> \$39,000,000

SAY FORTY MILLIONS.

To buy off which, a *douceur* of

ONLY, "\$750,000"—SAY TWO CENTS IN THE DOLLAR!

Is now offered to the gentleman (or a majority of them) who, for the moment constitute, in Legislature, the Government of that Province.

There is a mystery in this. If such a bargain be possible—which I doubt much, in the face of the fact that *other* interests, Imperial, are involved in the matter—such a bargain I say, would be open to the gravest suspicion, recalling to mind Mr. Blake's memorable citation from some unnamed poet—perhaps himself—certainly not "*Hudibras*," when making, in Commons arena, his great *chourineur* * * * speech at the *thugging* of the fathers—the original promoters—of this great work of a Canadian Pacific Railway. As spattered mud from the troubled pool, the lines have, casually, stuck to the dry wall of memory, and such as I can recall them, I give them. Originally, they seem to have been applied to certain doings ("ring" work) in Washington:

"Lost to shame ! they vilely barter,
Honor's name for Party's place ;
Step by step, o'er Freedom's charter,
Leaving footprints of disgrace.
Beneath yon dome, whose coping,
Starts above them, straight and tall,
Brave men, in the dust are groping,
For the crumbs that from the table fall."

Further word on this is unnecessary. Quick as made, the

BURNING INSULT

is, by the people *en masse*, indignantly resented. So the wires flash to us. No other answer could well have been expected from those bold few of our race and blood, who, on those distant shores of peoples strange and almost hostile, have planted our red cross flag, and bravely guard it.

Bribe such men !—to such base treason ! ! Ah, Mr. Blake ! Ah ! Mr. Mackenzie, of the "steel rails," truly—surely !—ye know not what ye do !

In charity, we must assume that "trouble"—those canker, harrowing cares incidental to large State Govern-

ment—must have thrown you off your balance. It all comes, I dare say—and I would say it in all pity for our poor common weak humanity—from that *unfortunate* “steel rail,” and such like, “business” (or doings.) Three millions (for that is what—what with the extra expenses of transport in and from Canada, storage, *commissions*, &c.—that “little affair” has already cost the public treasury) is quite too much, in *outside* expenditure, to take out of our budget margin for accidental contingencies. We all understand that—but, of course, there must have been a reason, or at least a *motive*, for the venture. Was it good?—Justifiable? Is it *it*, alone, or other like “blundering,” that starts the cry of “no-funds” in the Dominion Treasury? Whether or not—why visit such sins on poor British Columbia, as a sort of “scape-goat?”

The railway—cost what it may—she, as well as the rest of the Dominion, must have, and that as soon as possible. Under the Macdonald-Allan contract the work was, as we know, to have been at once begun within her borders, and there is no reason to distrust but that the work, in *British Columbia*, from Pacific-terminus to railway connection at the Yellow Head Pass (eastern boundry of British Columbia) would have been completed even *before* the expiration of the ten years, and then at once would have given her continuous railway connection with the Eastern world.

The cost, within her borders, would probably have considerably exceeded forty millions, but that—as I have already explained—would have come entirely out of the subsidy, supplemented by the Railway Company's Bond Fund, based on lands granted, and road as made—a fund susceptible of extension by Parliament, to any required limit, in order

NOT TO INCREASE TAXATION FOR THE WORK.

Now, as there is no utilization of the land grant—as, really, the work does not go on, but is being pottered to death—there is no fund from that source, and at the same time there is not, and as things are, cannot be, any bond fund on work done. And it is by thus blundering and pursuing a scheme at once unwise, machiavelian rather, and certainly likely to prove disastrous to all public interests concerned, that these British

Columbia claims, and determined rights, press on—our Treasury. But,

ON WHOM THE BLAME?

One answer only; short, clear and crushing as a thunder stroke, can rightly be given; and if the people of this Dominion be not as Mr. Blake's Washington "gropers" "in the dust," for "crumbs that from the table fall," they'll quickly give it.

One word as to our noble Governor-General. He was absent—three thousand miles off, in Britain—when this obnoxious Minute of Council of September last was passed. In any case, under our system of Responsible [Parliamentary] Government, *Ministers* are really alone to blame for such wrong doing as that in question.

We all know this, and I say thus much, on this point, merely to remove any misapprehension in the application of my animadversions in these letters.

Yours,

BRITANNICUS.

OTTAWA, Dec. 30th, 1875.

